

HCD Overview and Funding Opportunities



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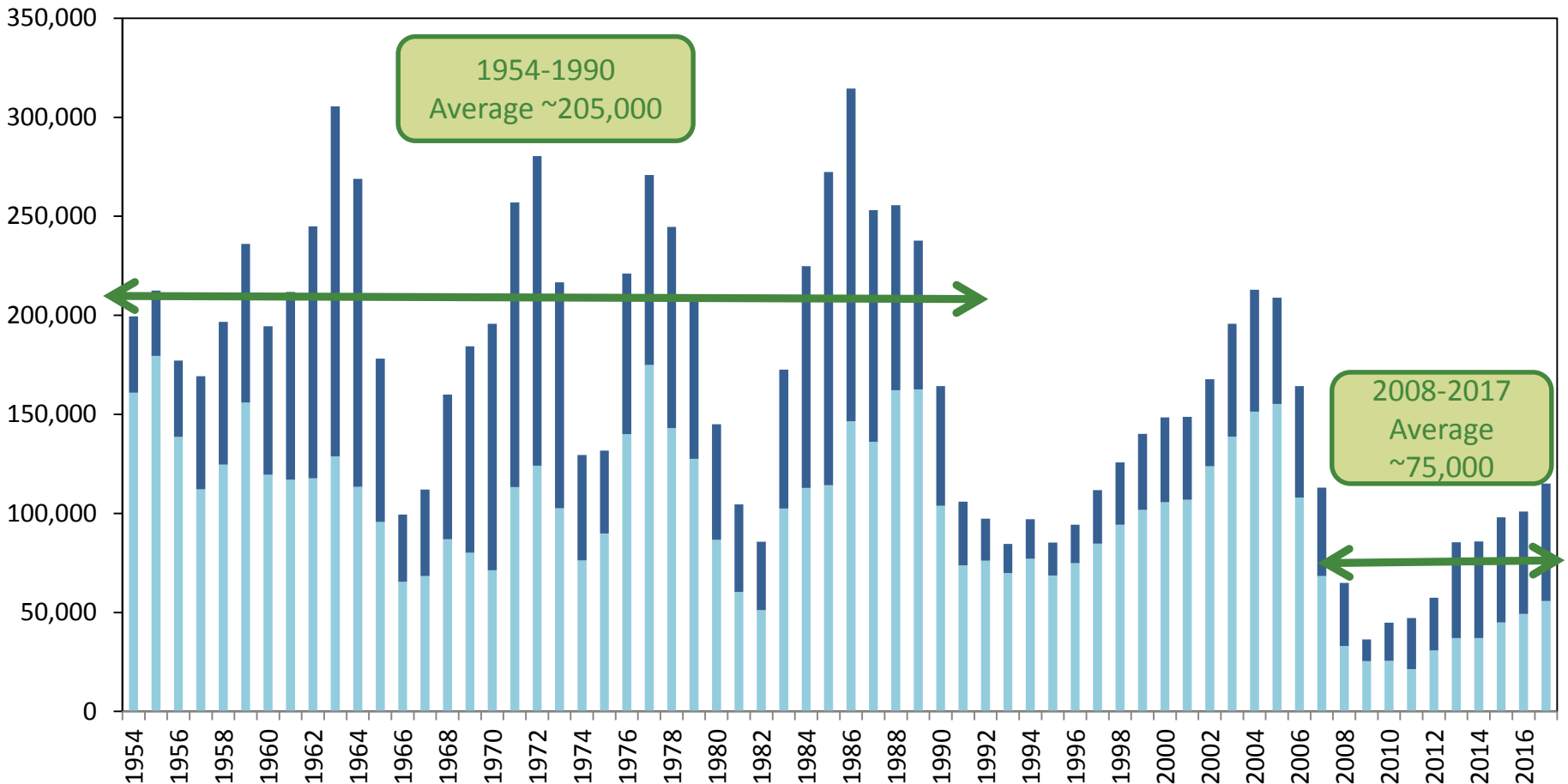
September 19, 2019



Annual New Housing Permits Statewide 1954-2017

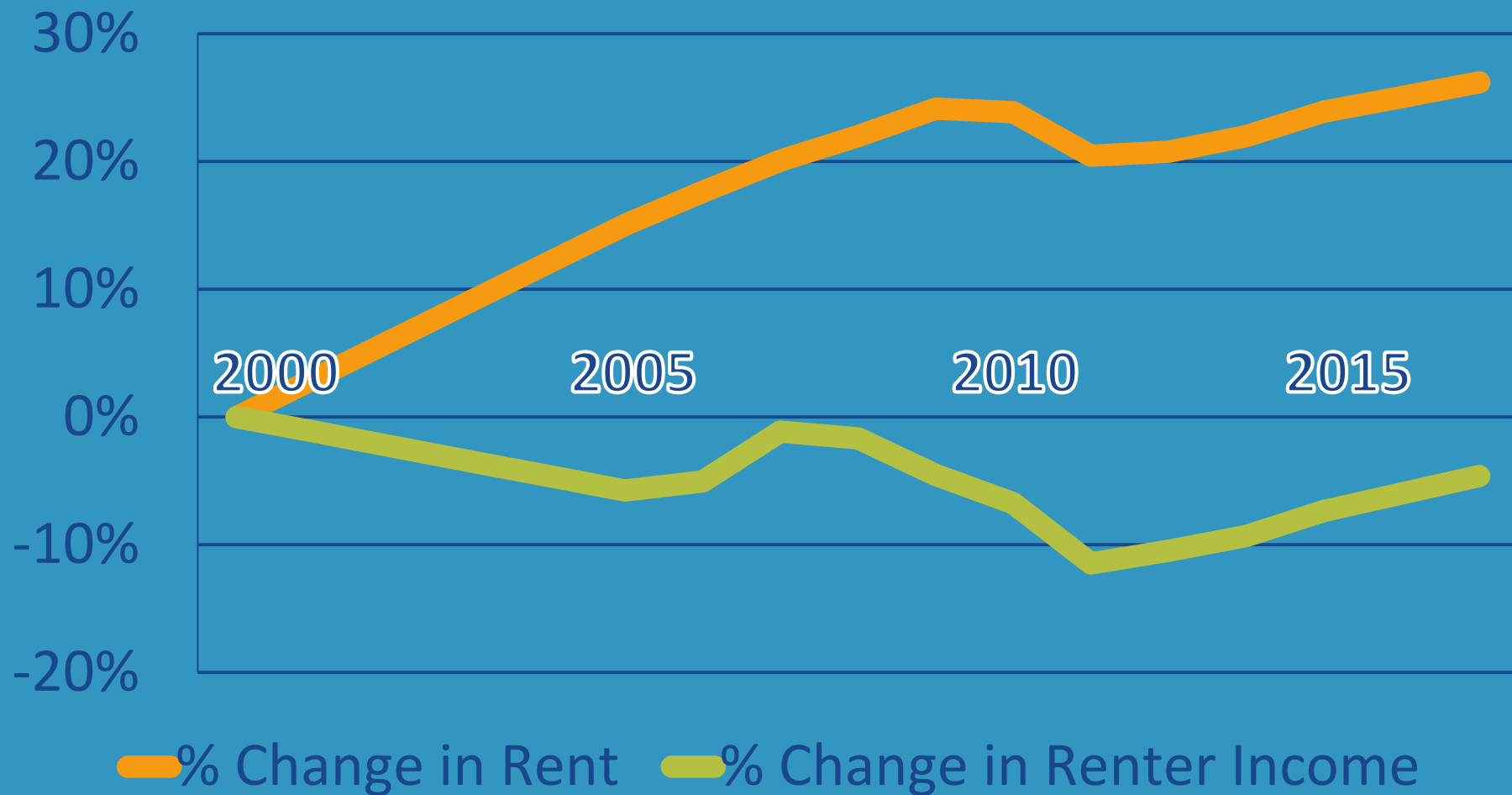
Permits

■ Multifamily (2+ Units) ■ Single Family



Source: Construction Industry Research Board/California Homebuilding Foundation Reports 2005, 2013, 2015; Graphic by HCD

Rent vs. Renter Income



Source: California Housing Partnership analysis of 2000 Decennial Census and 2005-2014 American Community Survey 1 year data. 2001-2004 and 2015-2016 are an estimated trend. Median rent and renter income are inflation adjusted to 2014 dollars. Graphic recreated by HCD.



State Role In Housing

State has interest in an adequate supply of affordable housing:

- * critical to state economy
- * critical to well being of residents
- * critical to protecting environment

Most fundamental decisions about housing supply & affordability are made at local level.

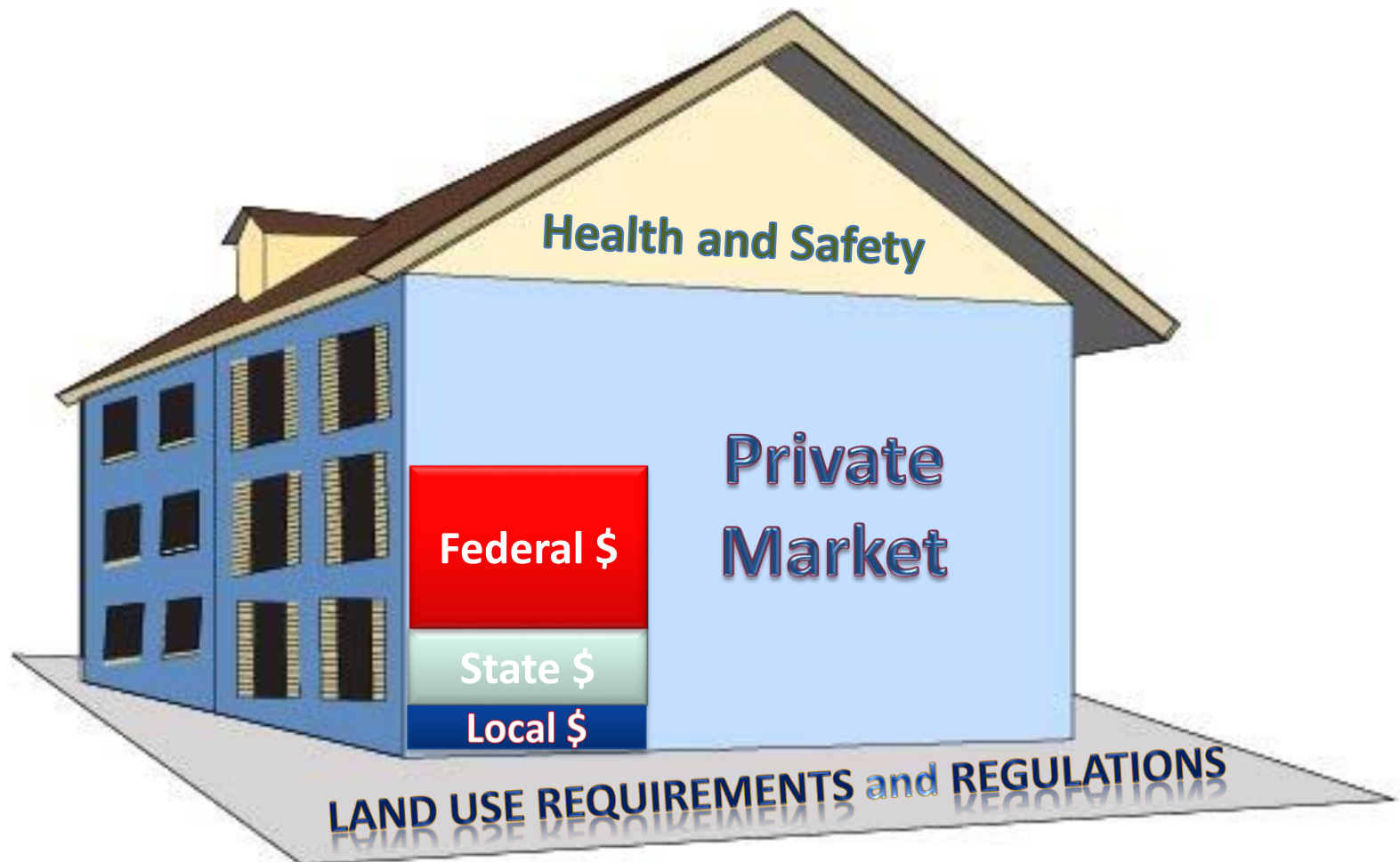


2017 Housing Package

SB 35	Streamline multifamily housing developments
SB 540	Establish Workforce Housing Opportunity Zones
AB 73	Housing sustainability districts
AB 879	Additional housing evaluation
AB 72	Housing element enforcement
AB 678/ SB167/ AB 1515	Strengthen Housing Accountability Act
SB 166	No-net-loss
AB 1397	Housing element sites inventory
AB 1505	Inclusionary housing
AB 1521	Preservation
AB 571	Farmworker housing
SB 2	Create a permanent source of funding
SB 3	\$4 billion housing bond



Most Housing is Delivered by the Private Market





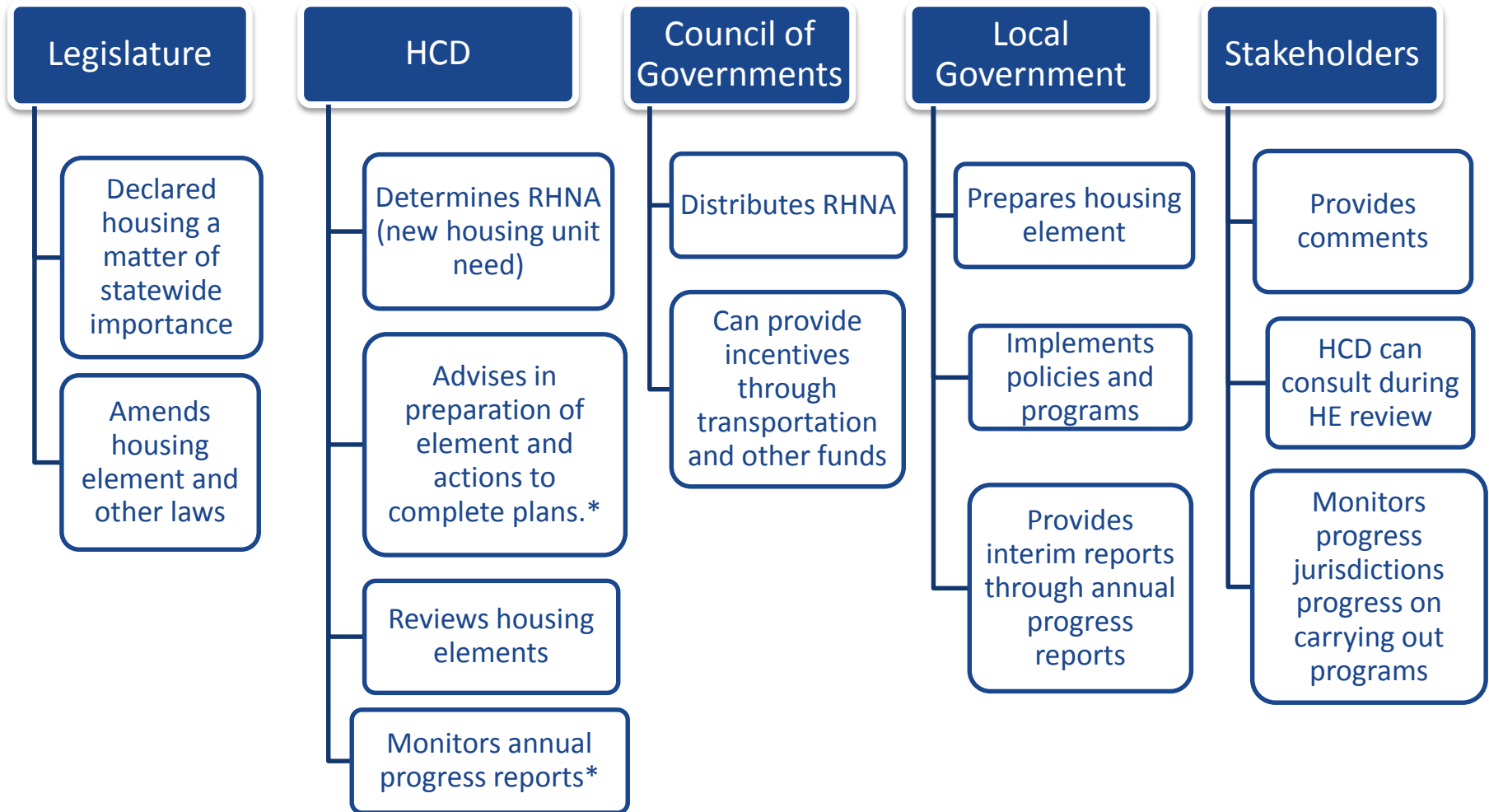
Housing Element Law

“The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian is a priority of the highest order.”
—GC 65580

Enacted 1969



Key Players and Roles





Accountability & Enforcement

No Net Loss

Must maintain site capacity to accommodate housing need throughout the planning period. If a development proposes a lower density than assumed in the housing element, then additional capacity must be found to make up the difference.

Housing Accountability Act

Reduces local governments' ability to deny housing development projects and creates a \$10k/unit penalty on cities/counties that deny (for unjustified reasons) approval of new homes.

Enforcement

Authorizes HCD to revoke housing element compliance and/or refer violations of housing element and other laws to the Attorney General



Affirmatively Furthering Fair Housing (AFFH)

“Affirmatively furthering fair housing” means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.

Increase Access to Opportunity in High Resource Areas – Increase multifamily zoning and affordable housing in places with good schools, low pollution, access to jobs and transportation, and low poverty.

AND

Increase Opportunity in Low Resource Areas – Improve conditions in areas that have experienced historical inequity and under investment through community and economic development, infrastructure improvements, (e.g. water quality investments), invest in and improve school quality, and other community needs



Historic New Resources at HCD

- \$200 million per year from the Building Homes and Jobs Act (Senate Bill 2, 2017) for local governments and farmworker housing
- \$2.7 billion from Proposition 1 for a variety of programs
- \$2 billion from Proposition 2 for No Place Like Home
- HCD now administering 20 separate programs



Senate Bill 2 (Chapter 364, Statutes of 2017)

- Year 1: 50% of 2018 revenue to address homelessness
 - 25% (approximately \$60 million) through the California Emergency Solutions and Housing (CESH) program
 - 25% (approximately \$60 million) through the Housing for a Healthy California (HHC) program
- Year 2 and ongoing: 70% allocated for the Permanent Local Housing Allocation (PLHA) program



California Emergency Solutions and Housing (CESH) Program

- This is a non-competitive program.
- The grant amounts are set by formula based on :
 - the 2017 Point-In-Time Count of homeless persons;
 - the number of extremely low-income households in rental housing that pay more than 50 percent of household income on rent; and
 - the percentage of households below the federal poverty line.



CESH Program

CESH funds may be used for five primary activities:

1. housing relocation and stabilization services (including rental assistance),
2. operating subsidies for permanent housing,
3. flexible housing subsidy funds,
4. operating support for emergency housing interventions, and
5. systems support for homelessness services and housing delivery systems.



CESH Program Updates

Notices of Funding Availability (NOFA):

- Round 1 released in August 2018
 - Approximately \$28 million in SB 2 funds and \$25 million in unallocated California Emergency Solutions Grant (ESG) funds.
 - All 43 Continuums of Care covering the entire state applied and were awarded funds in January 2019.
- Round 2 released in March 2019
 - Approximately \$29 million in SB 2 funds (no California ESG funds remain).
 - Applications were due in June.



Housing for a Healthy California (HHC) Program

- Competitive program designed to reduce the financial burden on local and state resources due to the overutilization of emergency departments, inpatient care, and nursing home stays.
- Creates permanent supportive housing opportunities for Medi-Cal beneficiaries who are chronically homeless or homeless and a high-cost health user.



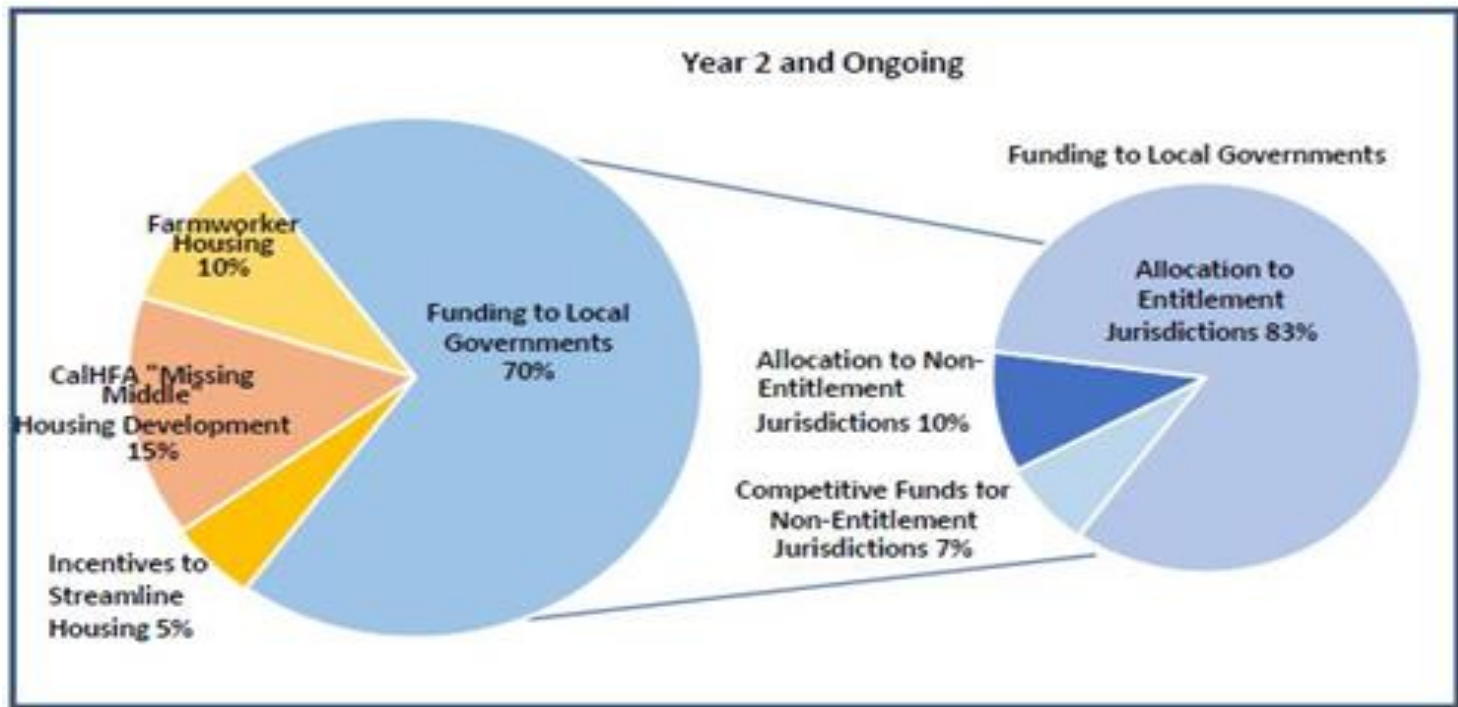
HHC Program Updates

- Twos NOFAs released in May 2019 and applications were due in August 2019
 - \$33 million in federal National Housing Trust Fund
 - Loans and grants to developers for new rental construction and capital operating reserves
 - \$60 million in SB 2 funds
 - Grants to counties for capital, rental subsidies and administrative costs
 - Provide incentive points to applicants that have a Whole Person Care Pilot available or renewed, or has Health Homes Program, or has other County-controlled funding that provides similar services to the Target Population



Permanent Local Housing Allocation (PLHA) Program

70% of the moneys collected on and after January 1, 2019, will be allocated to local governments to assist in addressing the unmet housing needs of their communities





PLHA Program Updates

- Threshold requirements:
 - Housing Element compliance
 - Submission of the Housing Element Annual Progress Report
 - Submission of a plan detailing how the proposed use of funds will address the unmet share of the regional housing needs allocation
- Draft Guidelines released for public comment in May 2019



Multifamily Housing Program (MHP)

- Proposition 1 passed by voters in November 2018 makes \$1.5 billion available in bond funds for MHP and allows HCD to develop guidelines.
- Eligible project types include:
 - Supportive Housing
 - Special Needs
 - Large Family
 - Senior
- Supportive service plan updated to include best practices, Housing First, and Coordinated Entry



MHP Program Updates

- HCD released draft guidelines for public comment in January 2019 and final guidelines were released in June.
- HCD made \$250 million available in the first NOFA. Applications were due in August.



Veterans Housing and Homelessness Prevention (VHHP) Program

- VHHP finances the development of affordable rental and Transitional Housing for Veterans, with an emphasis on housing for Homeless and Extremely Low Income Veterans
- VHHP is administered by HCD, in collaboration with the California Department of Veterans Affairs (CalVet) and the California Housing Finance Agency (CalHFA)



VHHP Program Updates

- \$304.5 million awarded in 4 Rounds
- Round 5 Draft Amended Guidelines Released on May 29, 2019
- Round 5 Notice of Funding will be released in November 2019



No Place Like Home (NPLH) Program

Investment:	Authorization of up to \$2 billion in funding <ul style="list-style-type: none">• \$1.8 billion Competitive/Alternative Program• \$190 million Noncompetitive/Over-the-Counter• \$6.2 Million in Technical Assistance Grants
Applicants:	Counties (alone or may partner w/housing development sponsor)
Beneficiaries:	Adults with serious mental illness, children with severe emotional disorders and their families, and persons who, among other things, require or are at risk of requiring acute psychiatric inpatient care, residential treatment, or outpatient crisis intervention who are: <ul style="list-style-type: none">• Homelessness• Chronically Homeless• At-risk of Chronic Homelessness
Program Goals:	Addressing the Need <ul style="list-style-type: none">• Deep Targeting of Hardest to House• Expanding Pool of Developers serving these populations• De-concentration and Integration



NPLH Program Updates

- Awarded approximately \$6 million in NPLH Technical Assistance funds
- Awarded approximately \$330 million in development funds to the 4 Alternative Process Counties (APCs) for award to local projects they select
 - San Diego, LA, Santa Clara, and San Francisco
- 37 projects located in the non-APC counties were awarded \$179 million in June 2019



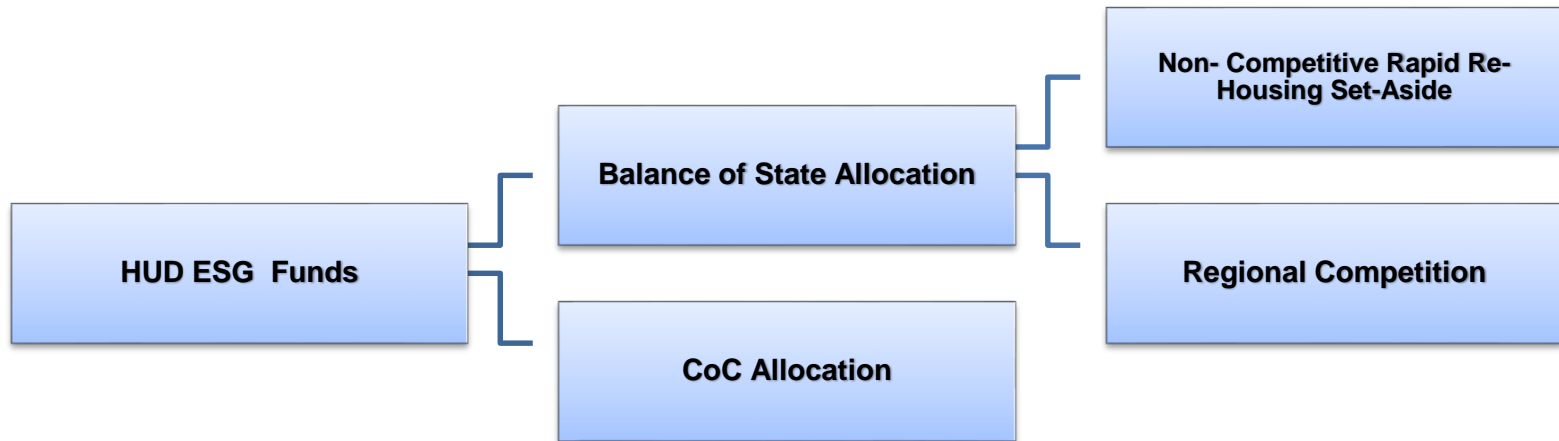
Emergency Solutions Grants (ESG) Program

ESG program provides federal funds to:

1. engage homeless individuals and families living on the street;
2. rapidly re-house-homeless individuals and families
3. help operate shelters and provide essential services to shelter residents; and
4. prevent families/individuals from becoming homeless



ESG Program





ESG Program Updates

March 2019:

- Awarded approximately \$11 million in 2018 ESG funds
- NOFAs released for 2019 ESG funds of approximately \$6 million for the CoC Allocation and approximately \$5 million for the Balance of State Allocation. Applications were due in May 2019.

Technical Assistance Opportunities at HCD

Available Assistance

Capacity Building	Create or update Homeless plans	Setting basic and uniform expectations for Coordinated Entry Systems	Improving local Homeless Management Information Systems (HMIS) data quality or increasing participation rate or coverage	<ul style="list-style-type: none">• Access and deploying resources• New tools and guidance
Housing First	Conversion of emergency shelters to a low barrier or a Housing First Shelter	Adopting and incorporating Housing First for all homelessness programs	Improve or establish a diversion strategy to prevent homelessness or reduce the demand for shelter beds	
Housing Stability	Establishing or improving rates of exits from homelessness into permanent housing	Assist RRH to move individuals and families into permanent housing	Innovative solutions to engage landlords and identify creative housing solutions in challenging rental markets	

Eligible recipients include CoCs and Counties that administer or receive a direct allocation from HCD



SB 2 Planning Grants and Technical Assistance

- Purpose: to help cities and counties prepare, adopt, and implement plans and process improvements that streamline housing approvals and accelerate housing production.
- Support: Direct assistance, best practices toolkits, self-assessment tools, and regional coordination
 - Identify opportunities for locally appropriate solutions
 - Help leverage other sources of funding



Contact Information

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